

The President's Daily Brief

March 3, 1976

Top Secret

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USSR

Some prominent Soviets have recently implied that Moscow is tailoring its public statements on the US with an eye to influencing the US election.

A senior member of the USA Institute in Moscow recently told a US embassy officer that his institute had drafted its contribution to Brezhnev's report to the 25th party congress with US domestic politics in mind. He said that the institute was pleased that the resulting speech was optimistic about the future of bilateral relations.

In yet another conversation with a US official, Anatoly Gromyko, son of the Soviet foreign minister, noted the careful preparation which had gone into Brezhnev's report to the congress, calling attention to the "friendly and non-polemical" treatment of the US.

The younger Gromyko said he was confused about the results of the New Hampshire primary and its implications for the "spirit of Vladivostok," which he strongly endorsed. The Soviet central press seems similarly perplexed by the results.

In an effort to shed more light on US political affairs, the USA Institute, according to one of its senior members, is engaged in a thorough study of each major presidential candidate. He professed confidence in the future of Soviet-US relations regardless of the outcome of the presidential contest, but conceded that the USSR would prefer to see you returned to office "because we know him personally."

At the same time, the institute's study of Governor Reagan, whom the Soviet media have taken to task for his views on Soviet-US relations, had concluded that there is "a great difference between his words and his deeds."

USSR-EGYPT

Soviet diplomats in Cairo reportedly believe that increasing popular discontent with President Sadat may force Egypt to take some sort of initiative to improve relations with Moscow this year.

The Soviets think that Egypt's failure to attract sufficient Arab or Western capital has led to a deteriorating economic situation. They also believe that Sadat's inability to score additional diplomatic successes has led to popular frustration and growing disillusionment with Egypt's connection with Washington.

There is no indication that the Soviets think a coup against Sadat is likely in the near future. Their assessment of Sadat's political trouble-which is very similar to our own impressions--is a significant change in the thinking of the same Soviet officials who a few months ago said that Sadat was firmly entrenched.

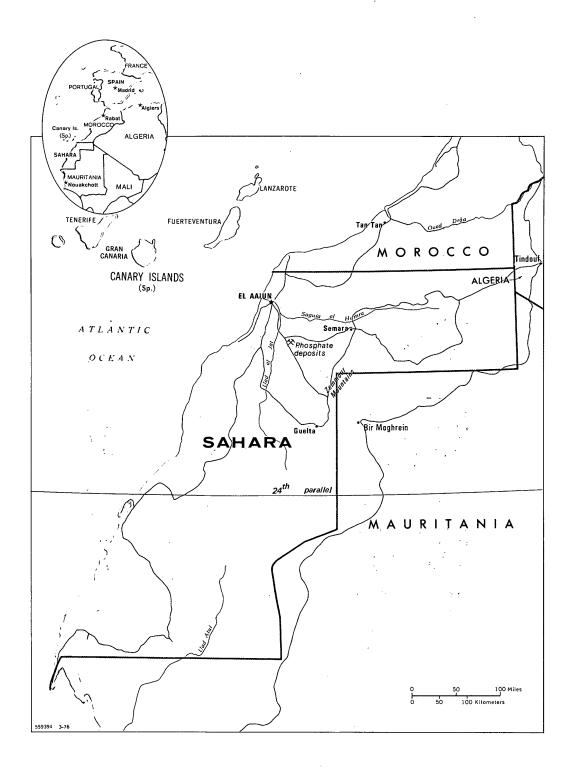
the Soviets perceive a change in the Egyptian mood. Moscow undoubtedly will keep up military and economic pressure on Sadat to make some favorable gesture.

During the past few months, in fact, there have been signs—such as decreased criticism of the Krem-lin—which suggest that Cairo is signaling a some—what more accommodating attitude toward Moscow. These signs, however, have only seemed to encourage the USSR to maintain the pressure—by refusing, for example, to sell spare parts for and overhaul the engines of Egypt's MIG-21s.

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NOTES

The Moroccans may soon begin further military operations in Sahara against the Polisario guerrillas, according to the US defense attaché in Rabat.

The purpose would be to eliminate Polisario forces Rabat believes are located in the Zemmour mountains around Guelta in Sahara and in the area north of Bir Moghrein in Mauritania. The sweep would also be directed at guerrilla pockets in southern Morocco near the Algerian border. A reliable Moroccan source told US officials last week that Rabat believes Polisario forces are poised for operations in these areas.

The <u>Soviets</u> appear determined to do what they can to minimize differences between Moscow and the West European Communist parties and to avoid any sense of irreversible estrangement.

The Soviets have not tried to conceal the existence of dispute. At the same time-beginning with Brezhnev's opening speech at the party congress-they have not hesitated to make their own views clear.

The Soviets have reported the speeches of both sycophants and independents, and Brezhnev has met with both Cunhal of Portugal and Berlinguer of Italy--representatives of the two groupings. Pravda even put a photo of the Brezhnev-Berlinguer meeting on its front page. The Soviets can thus make a plausible case that they have treated everyone with relative even-handedness.

For the first time, the South Africans are preparing contingency plans in the event of an insurgent threat from Mozambique and Angola.

South African defense forces have begun to identify targets in the neighboring countries. Defense officials apparently have concluded that expanded assistance from Mozambique to Rhodesian guerrillas and the potential for trouble in Namibia present a significant security threat to South Africa.

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A bitter disagreement that emerged yesterday among Portugal's top military officers could foreshadow an open split between left- and right-wing factions in the Revolutionary Council.

Conservative newspapers have published a strong attack by air force Chief of Staff Morais da Silva on President Costa Gomes and Foreign Minister Melo Antunes, both left-leaning members of the Council. Up to now, Council members have successfully papered over their differences in order to present a united front against the Communists and the far left. Morais da Silva's attack may mean that Council unity has been ended and rightist officers have decided to press for the removal of Costa Gomes and Melo Antunes now, even though the coming elections probably will sweep both of them from power.

Icelandic Prime Minister Hallgrimsson has agreed to explore means to reduce tension in the cod war with the \underline{UK} and to get the talks started again.

Hallgrimsson's proposal calls for the UK to pull out all warships and all but 15 trawlers from the 200-mile zone around Iceland. In return, Iceland will promise not to harass the remaining British trawlers. The Prime Minister apparently visualizes an agreement of about six months' duration. By the end of this time, he presumably expects a favorable UN Law of the Sea Conference ruling on 200-mile economic zones. The Icelandic cabinet, by Hallgrimsson's own admission, is still divided on whether to negotiate with the British.

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FOR THE PRESIDENT ONLY

The Italian Socialist Party's national congress, which opens today, and that of the Christian Democrats, which will convene later this month, will determine whether the two parties can settle on a formula for a new coalition and avoid an early election.

Only the Socialist Party, Italy's third largest, can guarantee the Christian Democrats a non-Communist majority in parliament. For the short term, the Socialists appear willing to collaborate with the Christian Democrats, provided the latter give the Socialists more influence over policy in a new government and agree to consult the Communists openly, rather than behind-the-scenes, in order to make the Communist Party more responsible for government actions. The Socialist congress is likely to reiterate that the party's long-term goal is a grouping of leftist forces, including the Communists, that would replace the Christian Democrats as the nation's dominant political force.

The Christian Democrats have so far been unable to reconcile internal differences over how to respond to the Socialist Party's conditions. Most party members favor giving the Socialists more influence in the government but oppose actions that would publicly modify the Christian Democrats' traditional opposition to the Communists.